

Historic, Archive Document

Do not assume content reflects current scientific knowledge, policies, or practices.

a. S21
A87F3

S-14



Letter No. 2324

CURRENT CREDIT RECORDS

August 6, 1987

**PURCHASE RATE
FOR 1987 SOYBEANS**

Sec'y of Agriculture Richard E. Lyng made a preliminary announcement on Aug. 3 that the loan and purchase rate for 1987 crop soybeans would be \$4.77 per bushel. A final announcement of the loan and purchase rate will be made no later than October 1. A marketing loan program will not be implemented for the 1987 crop of soybeans.

**SOVIET HARVEST
UPDATE**

The harvest of small grains and pulses in the Soviet is late this year, according to reports from Moscow. As of July 27, these crops were cut on just over 43 million acres, of which nearly 29 million acres had been threshed. According to the U.S. Department of Agriculture, not only are these figures low compared with last year's 82 million acres cut and just over 74 million threshed...but they are significantly smaller than the 1980-85 average.

**EXPORT
ENHANCEMENT TO
CONTINUE**

Sec'y of Agriculture Richard Lyng announced that the export enhancement program will continue under the provisions of the Commodity Credit Corporation Charter Act once the \$1½ billion in funds authorized for the program are exhausted. Under the export enhancement program, commodities in the inventory of the CCC are used to provide bonuses to U.S. exporters to help them expand sales in selected markets.

**RETAIL PORK &
POULTRY PRICES
TO DECLINE**

Retail pork and poultry prices are likely to decline 6 to 8 percent in 1988, according to the U.S. Department of Agriculture. As for pork, retail pork prices peaked in late 1986 and are expected to continue to decline through mid-1988 before stabilizing. Wholesale broiler prices have declined in 1987 from the 1986 record, and further declines are expected in 1988. After averaging 72 to 74 cents per pound in 1984 through 1986, wholesale hen turkeys weighing 8-16 pounds, Eastern Region, are expected to average 56 to 58 cents per pound in 1987. Prices may decline further in 1988 because of expected larger supplies. (For more information, call Ron Gustafson at 202-447-5163.)

**CCC INTEREST
RATE FOR AUG.**

Commodity loans disbursed in August by the U.S. Department of Agriculture's Commodity Credit Corporation will carry a 6-5/8 percent interest rate. The new rate is down from 6-7/8 percent.

PORK & BEEF
CONSUMPTION
IN 1988

Per capita pork consumption is likely to rise about 4 pounds to about 63 pounds in 1988, following 2 years of nearly 59 pounds per capita consumption, according to the U.S. Department of Agriculture. Pork production is likely to rise sharply this summer and remain large through at least 1988. Beef consumption rose slightly from 1979 to 1986, ranging from 77 to 80 pounds. However, reduced herd liquidation in 1987 and 1988 is expected to result in lower beef output. Retail prices for Choice beef likely peaked in June at \$2.49 a pound. Prices may average in the low \$2.40's this fall through 1988. (For more information, call Ron Gustafson at 202-447-5163.)

SPAIN IMPORTS
OF SOYBEANS

Spain's imports of soybeans in the first 7 months of the 1986/87 marketing year rose 17 percent over last year. According to the U.S. Department of Agriculture, imports from the United States were up 14 percent. The increase may be due to larger-than-expected crushing to meet strong demand for soybean meal since Spanish soybean meal exports are down 47 percent.

TAIWAN SOYBEAN
IMPORTS TO
INCREASE

Taiwan's 1986/87 marketing year imports of soybeans should be at least 1 million 800 thousand tons, according to the U.S. Department of Agriculture. This is 200 thousand tons more than last year. The United States will supply virtually all Taiwan's needs except for 25,000 tons to be supplied by Uruguay. USDA figures show that in the first 8 months of 1986/87, Taiwan imported about 1 million 400 thousand tons, versus 1 million 100 thousand tons during the same period last year.

FARM DEBT
FELL IN
1986

In 1986, farm debt fell over \$15 billion, according to the U.S. Department of Agriculture. This should have improved the farm sector's equity. However, falling debt was offset by the continued decline in asset values. Land values dropped for the sixth consecutive year. This suggests that higher current incomes were not yet reflected in the value of farm assets in 1986. Since peaking in 1981, the U.S. average value of farm real estate has declined 33 percent. The drop in asset values was 13 percent in 1984 and 12 percent in 1985. In 1986, the drop was 8 percent. While moderating from the 2 previous years, the 1986 drop accounted for a \$44 billion drop in asset values.

SMALL FARMS
REMAIN
STRESSED

According to data collected by the U.S. Department of Agriculture, the farm sector is recovering from the liquidity and solvency problems of the first half of the decade. With the help of debt reductions, lower interest rates and higher incomes, most farmers had adequate income in 1986 with which to meet principal and interest payments, reduce debt outstanding, and meet other financial commitments. However, many farmers who used high debt financing to enter agriculture or to expand operations in the late 1970's and early 1980's are now either in negative equity positions--technically insolvent--or are very highly leveraged and probably have negative cash flows partly as a result of high debt repayment requirements.

FROM OUR
TELEVISION
SERVICE

CURRENT OILSEED OUTLOOK...USDA economist Jim Schaub focuses on the current oilseed outlook including this year's figures for soybean acreage as compared to last year and the forecast for soybean production. Vic Powell interviews. (251)

CURRENT FRUIT OUTLOOK...Fruit consumption has been growing about one percent a year, most of it in processed fruit such as citrus juices. Exports of fresh fruit have also been strong and there's been a jump in non-citrus production. USDA economist Glenn Zepp discusses the situation and outlook for fruit. DeBoria Janifer interviews. (252)

GROUNDWATER CONTAMINATION...A recent study by the USDA identified 1,400 counties where groundwater could become contaminated with nitrates or pesticides. USDA economist Linda Lee examines the study's findings. Vic Powell interviews. (253)

EARTH-TUBE HEAT EXCHANGERS...Warren Goetsch, Univ. of Illinois, describes how pork producers can benefit from earth-tube heat exchanger, tubes placed under the ground, to reduce energy costs. Gary Beaumont interviews. (254)

ACID RAIN RESEARCH...Carl Zeller, USDA Forest Service, describes research to study the effects of acid rain on plants and crops particularly in areas where precipitation is not great. Vic Powell interviews. (255)



FROM OUR RADIO
SERVICE

AGRICULTURE USA #1575...(Weekly 13½ min documentary) "Taking the time...could save a farmer's life" Many farmers die in preventable accidents when operating farm machinery. Brenda Curtis talks with W.Va.U. farm safety extension specialist Tom Bean about why farmers take the risks they do. There's also an interview with a farmer and his wife about how they could have lost their lives because of improper safety procedures.

AGRITAPE/FARM PROGRAM REPORT #1564...(Weekly news features) USDA news highlights; Farming can be dangerous; Dairy termination update; County loan rates; Interest payments for CCC contractors.

CONSUMER TIME #1055...(Weekly 2½-3 min features) India's 5-star food market; Eating out; Dietary recall; Buying peaches; and Quitting the smokeless tobacco habit.

USDA RADIO NEWS SERVICE...Tues, Aug. 11, Weekly crop and weather, World agricultural supply and demand, USSR grain situation; Wed, Aug. 12, Farm income, World crop production, World oilseed situation, World cotton situation, World grain situation; Thurs, Aug. 13, Agricultural resources. Dial the USDA National News Line 202-488-8358 or 8359. All material changed at 5 p.m. ET each working day.

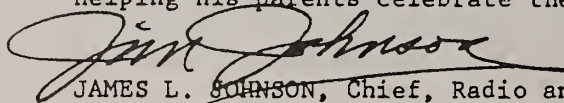
OFF MIKE

Holly Downing is the new farm broadcaster at WFIN-WHMQ in Finley, Ohio. She replaces Gary Wright who left to become general manager at WKAN, Kankakee, Illinois, this past spring. Holly was with Indiana Agri-Business Network in Indianapolis until she left for her new position in mid-July ... Bedford Forest is the new farm director at KFDA-TV, Amarillo, Texas. He replaces Karr Ingham who left to work for his congressman ... We learn that Bob Bosold (WAXX, Eau Claire, WI) has been selected to serve a two-year term on the University of Wisconsin-River Falls College of Agriculture's advisory board. Our congratulations!! ... If you've notice another new voice on our daily USDA Radio News Service and wondered who he is, his name is Brian Norris. He's new on the Foreign Agriculture Service information staff, and he's working with Doug Wakefield. Actually, Doug is showing Brian the ropes so Brian can take over in a month or so when Doug

Farm Broadcasters Letter
Radio and Television, Rm. 410-A
Office of Information, OGPA
U.S. Department of Agriculture
Washington, D.C. 20250

OFFICIAL BUSINESS
Penalty for Private Use, \$300

leaves to devote full time to his computer sales and training business. He's been on contract with FAS during the past year ... Last March we received a letter from Henning Klarlund in Denmark. He was planning an extensive visit to the U.S. to visit farm broadcasters in various parts of the country and our operation here in Washington, D.C. We received a second letter today. His extensive visit is now only 2 weeks, because he received his masters degree and immediately was employed by a local TV station. He's still planning a visit, but won't be getting to many parts of the country. We were going to help him arrange visits, but now it looks like we won't ... Not much else to report except that Don Elder, producer/host for our A BETTER WAY half-hour television show, is down in Florida helping his parents celebrate their 50th wedding anniversary.



JAMES L. JOHNSON, Chief, Radio and Television Division